Original in Calk.



Middle Bass.

10 DOWNING STREET

THE PRIME MINISTER

30 June 1980

Men Grenie

Thank you for your letter of 9 June signed also by other officers of the Board of Deputies.

You will have seen the European Council statement issued in Venice on 13 June. I enclose a copy for ease of reference. I believe it to be a balanced statement providing a useful basis on which the Nine can attempt to work with the parties directly concerned towards the comprehensive peaceful settlement we all seek. It should not be seen as in any way conflicting with the Camp David process but as complementary to it. Our objective is to search for ways in which the security for Israel to which we are absolutely committed can be reconciled with legitimate Palestinian rights.

We have noted with deep concern the document issued by the Fatah Congress in Damascus to which you refer in your letter. Its calls for the liquidation of the "Zionist entity" and its stress on armed struggle are quite unacceptable to us. We shall continue our efforts to bring the Palestinians, including the PLO, to accept Israel's right to live in peace. Such acceptance is essential to a negotiated settlement.

The European Council statement records our belief that the PLO will at some stage have to be associated with negotiations. The fact is that the PLO has the support of many Palestinians,

/on the West Bank

on the West Bank and Gaza and elsewhere. This cannot be ignored if a settlement is to endure. But let me emphasise again that the PLO are, like all the parties concerned, required to accept fully the principles of a negotiated settlement. These, of course, include Israel's right to live in peace and security. There is no question of Britain or the Nine giving any kind of official recognition to the PLO in present circumstances.

At the same time I would draw your attention to the emphasis placed by the Nine's statement on the need for Israel to put an end to the territorial occupation which it has maintained since 1967 - as it has done for part of Sinai - and to halt the establishment of settlements in these territories. Peace necessarily involves compromise and goodwill from both sides.

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The Hon. Greville Janner, QC, MP.